



Appendix E

Municipal Retirement Systems In Major U.S. Cities and California Cities

As Excerpted from:

Organizing the Finance Function for the City of Los Angeles of the 21st Century

**A Report to the City of Los Angeles
Charter Reform Commission**

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Municipal Retirement Systems in Major U.S. Cities

City of Chicago: The City of Chicago has four retirement funds, all of which are defined benefit plans. The City does offer voluntary and supplemental plans that are either defined benefit or defined contribution plans. Each of the city's retirement funds is headed by an executive director who employs a full-time staff and answers to a board. The composition of each board varies; however, the city treasurer sits on all of the boards. All of the funds are governed by state statute.

The *City of Chicago Fireman's Annuity Benefit Fund* has \$752 million and an eight-member board. Three members are elected by the firemen and one is elected by the retirees. Four members are appointed by the mayor and include the city clerk, city comptroller, city treasurer and fire chief.

The *Chicago Laborers' Annuity and Benefit Fund* has \$1.8 billion and a five-member board. Two members are elected by the participants, one member is appointed by personnel (currently the city's chief financial officer) and two members are appointed by the mayor (the city controller and city treasurer).

The *Chicago Municipal Employees' Annuity and Benefit Fund* has \$3.5 billion and a five-member board. Three members are elected by the participants and two are appointed by the mayor (the city treasurer and city controller).

The *Chicago Policemen's Annuity and Benefit Fund* has \$2.5 billion and an eight-member board. Four members are elected by the police officers and four members are appointed by the mayor. Two of the appointees are from the private sector and two are the city treasurer and city controller.

City of Dallas: The City of Dallas has two retirement funds, both of which are defined benefit plans. The *Dallas Employees' Retirement Fund* has \$1.3 billion. The executive officer reports to a board which is made up of five members. Two of the members are elected to two-year terms. Two members are appointed by the city council to two-year terms and one ex-officio sits on the board as well. The fund is governed by state statute and city ordinance. The *Dallas Police and Fire Pension Fund* has \$1.26 billion. The executive officer reports to a board and the fund is governed by state statute.

City of Denver: The *Denver Employees' Retirement System* is a defined benefit plan with \$1.7 billion as of November 1997. The executive officer reports to a five-member board which is made up of three members elected by the participants and two members appointed by the mayor. The retirement system is governed by city charter.

City of Detroit: The *City of Detroit Retirement System* has two defined benefit plans. The *Detroit Policemen and Firemen Retirement System* has \$2.8 billion. The executive officer reports to a 12-member board comprised of six elected members and six members who are appointed by the mayor and include a council member, the city treasurer and the fire commissioner. The retirement system is governed by state statute and city charter. The *City of Detroit General Retirement System* has \$2.4 billion and its executive officer reports to a 10-member board. Five members are elected to six-year terms and one member is elected by retirees to a two-year term. Three ex-officio members sit on the board and include the mayor, the city treasurer and a council member.

City of Houston: The City of Houston has three defined benefit plans, governed by state statute. The *Houston Firemen's Relief and Retirement Fund* has \$1.2 billion and its executive officer reports to a 10-member board. The board has six members elected to three-year terms, two citizen representatives, the mayor and the city treasurer. The *Houston Municipal Employees' Pension System* has \$1 billion and its executive officer reports to an 11-member board. Nine members are elected to four-year terms and three members are appointed by the mayor and city council. The *Houston Police Officers' Pension System* has \$1.5 billion and its executive officer reports to a seven-member board. The board is made up of two retired officers elected to two-year terms, three active officers nominated by police officers and approved by the city appointees and two city appointees (appointed by the mayor) who serve three-year terms.

City of New York: The City of New York has four major retirement systems, each governed by state statute. The executive officer of each fund reports to a board comprised of members elected by the participants and appointed by the mayor. While the size of each board varies, the composition is divided equally among elected and appointed members. The major funds are defined benefit plans although variable funds and supplemental funds are offered on a voluntary basis. The funds include: *NYC Employees' Retirement System*, \$32.4; *NYC Teachers' Retirement System*, \$2.7 billion and whose board includes the mayor and city controller, *NYC Police Department Pension Fund*, \$13.1 billion and *NYC Fire Department Pension Fund*, \$4.9 billion.

City of Philadelphia: The *Philadelphia Municipal Pension Fund* is a defined benefit fund with \$3.1 billion. The executive officer reports to a nine-member board consisting of four elected city employees and five appointed members that include the city's director of finance who chairs the board, city solicitor, city controller, city personnel director and a managing director. The fund is governed by city ordinance.

City of Phoenix: The *City of Phoenix Employees' Retirement System* or COPERS is a \$1 billion defined benefit plan. Its executive director reports to a nine-member board. Three members are elected to three-year terms, two members are appointed to three-year terms and four members are ex-officio and include the city manager, a department head, the finance director and the city treasurer. COPERS is governed by city charter.

City of San Antonio: The *San Antonio Firemen's and Policemen's Pension Fund* is a defined benefit plan with \$921 million as of September 1997. The executive officer reports to a nine-member board made up of six elected officers (two active police officers, one retired police officer, two active firemen and one retired fireman) and three city council members (one of which is the mayor). The fund is governed by state statute. Other city employees are covered by the *Texas State Retirement System*.

Table E-1
Retirement Systems of Major (non-California) U.S. Cities

Name of System and Funds	No. of Funds	Type	Size as of FY/96	Officer Reports to	Board Composition	Governance
City of Chicago	4	See below	See below	Board (City treasurer sits on board of all funds)	Number varies by fund, all combination elected by participants, to 3-year terms and apptd. by mayor	State statute
City of Chicago Firemen's Annuity Benefit Fund	N/A	DB ¹	\$752 mill.	Board	8 members; 3 elected by firemen, 1 by retirees; 4 apptd. by mayor (city clerk, treas., comptroller, and fire chief)	State statute
Chicago Laborers' Annuity and Benefit Fund	N/A	DB	\$1.8 bill.	Board	5 members; 2 elected, 1 apptd. by personnel (CFO), 2 apptd. by mayor (city controller and treasurer)	State statute
Chicago Municipal Employees' Annuity and Benefit Fund	N/A	DB	\$3.5 bill.	Board	5 members; 3 elected, and 2 apptd. by mayor (city treas. and controller)	State statute
Chicago Policemen's Annuity and Benefit Fund	N/A	DB	\$2.5 bill.	Board	8 members; 4 elected by officers and 4 apptd. by mayor (2 private sector, city treas. and controller)	State statute
City of Dallas	2	See below	See Below	Board	Varies by fund	State statute
Dallas Employees' Retirement Fund	N/A	DB	\$1.3 bill.	Board	5 members; 2 elected to 2-year terms, 2 apptd. by city council to 2-year terms and 1 ex-officio	State statute/city ord.
Dallas Police and Fire Pension Fund	N/A	DB	\$1.26 bill.	Board	No further information available	State statute
City of Denver: Denver Employees' Retirement System	1	DB	\$1.7 bill. ²	Board	5 members; 3 elected, 2 apptd. by mayor	City charter
City of Detroit Retirement System	2	See below	See Below	Board	Elected and appointed	State statute and city charter

¹ Defined benefit

² as of 11/97

Table E-1 (continued)
Retirement Systems of Major (non-California) U.S. Cities

Detroit Policemen and Firemen Retirement System	N/A	DB	\$2.8 bill.	Board	12 members; 6 elected and 6 apptd. by mayor (includes council member, treas. and fire commissioner)	State statute and city charter
City of Detroit General Retirement System	N/A	DB	\$2.4 bill.	Board	10 members; 5 elected to 6-year terms, 1 elected by retirees to 2-year term and 3 ex-officio (mayor, treas. and council member)	State statute and city charter
City of Houston	3	See below	See Below	Board	Elected and apptd. members; varies by fund	State statute
Houston Firemen's Relief and Retirement Fund	N/A	DB	\$1.2 bill.	Board	10 members; 6 elected to 3-year terms, 2 citizens, mayor and treasurer	State statute
Houston Municipal Employees Pension System	N/A	DB	\$1.0 bill.	Board	11 members; 9 elected to 4-year terms, 3 apptd. by mayor and city council	State statute
Houston Police Officers' Pension System	N/A	DB	\$1.5 bill.	Board	7 members; 2 retired officers elected to 2-year terms, 3 active officers nominated by police officers and approved by city appointees serve 3-year terms and 2 city employees apptd. by mayor	State statute
New York City Retirement System	4	See below	See Below	Board	1/2 elected; 1/2 apptd.--size varies by fund ³	State statute
NYC Employees' Retirement System	N/A	DB	\$32.4 bill.	Board	Elected by labor; apptd. by mayor	State statute
NYC Teachers' Retirement System	N/A	DB	\$2.7 bill.	Board	Elected by labor; apptd. by mayor; controller and mayor sit on Board	State statute

³No further information available.

Table E-1 (continued)
Retirement Systems of Major (non-California) U.S. Cities

NYC Police Dept. Pension Fund	N/A	DB	\$13.1 bill.	Board	Elected by labor; apptd. by mayor	State statute
NYC Fire Dept. Pension Fund	N/A	DB	\$4.9 bill.	Board	Elected by labor; apptd. by mayor	State statute
Philadelphia Municipal Employees' Retirement System	1	See below	See Below	Board of Pensions and Retirement	See below	City ord.
Philadelphia Municipal Pension Fund	N/A	DB	\$3.1 bill.	Board	9 members; 4 elected city employees, 5 apptd. (chaired by Director of Finance, city solicitor, city controller, city personnel dir. and a managing dir.)	City ord.
City of Phoenix Employees' Retirement System (COPERS)	1	DB	\$1 bill.	Board	9 members; 3 elected to 3-year terms, 2 apptd. to 3-year terms and 4 ex-officio (city manager, a dept. head, fin. dir. and treas.)	City charter
City of San Antonio	14	See below	See Below	N/A	N/A	State statute
San Antonio Firemen's and Policemen's Pension Fund	N/A	DB	\$921 mill. ²	Board	9 members; 6 elected (2 active police, 2 active fire, 1 retired police, 1 retired fire), 3 city council (mayor and 2 others)	State statute

¹Non-uniform officers, park employees, and various other city employees are covered by the Texas State Retirement System.

²As of 9/97

Municipal Retirement Systems in California Cities

The retirement systems for California cities are governed by city charter and, in some cases, by state statute. Many of the cities in California place their retirement funds in the *California Public Employees' Retirement System* (CALPERS), a multi-employer defined benefit program run by the state and governed by state statute. A description of the retirement systems follows.

City of Anaheim: The City of Anaheim participates in CALPERS.

City of Fresno: The City of Fresno participates in CALPERS but also has two retirement funds, both of which are defined benefit plans. The *City of Fresno Employees' Retirement Fund* has \$509 million and its executive officer reports to a five-member board. The board consists of two members elected to four-year terms, two members appointed by the mayor to four-year terms and one ex-officio member (the mayor). This fund is governed by city charter. The *City of Fresno Police and Fire Retirement Plan* has \$581 million and its executive officer reports to a five-member board comprised of two members elected to four-year terms, two members appointed by the mayor to four-year terms and one ex-officio member (the mayor). This fund is governed by city charter.

City of Long Beach: The City of Long Beach participates in CALPERS.

City of Oakland: The City of Oakland has two retirement plans, both of which are defined benefit. The *Oakland Municipal Employees' Retirement System* has \$14 million in assets as of fiscal year 1995. Its executive officer reports to a seven-member board and the retirement system is governed by city charter. The *City of Oakland Fire and Police Retirement System* has \$301 million in assets and is governed by city charter.

City of Sacramento: The *Sacramento City Employees' Retirement System* is a \$369 million defined benefit plan. Its executive officer reports to a five-member board made up of two members appointed by city council to three-year terms and three ex-officio members. It is governed by city charter. The city also participates in CALPERS.

City of San Diego: The *San Diego City Employees' Retirement System* is a \$1.7 billion defined benefit plan. The executive officer reports to a 13-member board. Five members are elected to six-year terms, one member is elected by retirees to a six-year term, four members are appointed by city council and three members are ex-officio and include the city treasurer and mayor. The retirement system is governed by state statute and city charter.

City of San Francisco: The *San Francisco Employee Retirement System* is a \$7.5 billion defined benefit plan. Its executive officer reports to a seven-member board. The board is made up of three members elected to five-year terms, three members appointed by the mayor to five-year terms and one ex-officio members. The plan is governed by state statute and city charter. The city also participates in CALPERS.

City of San Jose: The San Jose City Retirement Plan is a \$1.7 billion defined benefit plan. Its executive officer reports to a board and the plan is governed by city charter.

City of Santa Ana: The City of Santa Ana participates in CALPERS.

Table E-2
Retirement Systems of Major California Cities

Name of System and Funds	No. of Funds	Type	Size as of FY/96	Officer Reports to	Board Composition	Governance
City of Anaheim ^a	N/A	N/A	N/A	N/A	N/A	State statute
City of Fresno	2	See below	See below	Board	Elected and appointed by mayor	City charter
City of Fresno Employees' Retirement Fund	N/A	DB ^b	\$509 mill.	Board	5 members; 2 elected to 4-year terms, 2 apptd. to 4-year terms by mayor and 1 ex-officio (mayor)	City charter
City of Fresno Police and Fire Retirement Plan	N/A ^c	DB	\$581 mill.	Board	5 members; 2 elected to 4-year terms, 2 apptd. by mayor to 4-year terms and 1 ex-officio (mayor)	City charter
City of Long Beach ^a	N/A	N/A	N/A	N/A	N/A	State statute
City of Los Angeles	3	See	See	Board	Elected and appointed by mayor	City charter
Los Angeles City Employees' Retirement System (LACERS)	N/A	DB	\$4.5 bill.	Board	7 members; 2 elected to 5-year terms, 5 apptd. by mayor to 5-year terms	City charter
City of Los Angeles Water and Power Employees' Retirement Plan	N/A	DB	\$4.7 bill.	Board	7 members; 3 elected to 3-year terms, 4 appointed by mayor	City
City of Los Angeles Fire and Police Pension System	N/A	DB	\$9.25 bill.	Board	7 members; 1 elected by police officers, 1 elected by firemen, and 5 appointed by mayor	City
City of Oakland ^a	2	See below	See below	Board	See below	State statute and city ord.
Oakland Municipal Employees' Retirement System	N/A	DB	\$14 mill. ¹⁰	Board	7 members (no further information available)	City charter
City of Oakland Fire and Police Retirement System	N/A	DB	\$301 mill. ¹¹	Board	(No further information available)	City charter

^aParticipates in the California Public Employees' Retirement System (CALPERS), a multi-employer PERS defined benefit program run by the state and governed by state statute.

^bDefined benefit

^cParticipates in CALPERS

^dParticipates in CALPERS

¹⁰as of FY95

¹¹as of FY95

Table E-2 (continued)
Retirement Systems of Major California Cities

Name of System and Funds	No. of Funds	Type	Size as of FY/96	Officer Reports to	Board Composition	Governance
Sacramento City ¹² Employees' Retirement System	1	DB	\$369 mill.	Board	5 members; 2 apptd. by city council to 3-year terms and 3 ex-officio	City charter
San Diego City Employees' Retirement System	1	DB	\$1.7 bill.	Board	13 members; 5 elected to 6-year terms, 1 elected by retirees to 6-year term, 4 apptd. by city council and 3 ex-officio (includes city treas. and mayor)	State statute and city charter
San Francisco ¹³ Employee Retirement System	1	DB	\$7.5 bill.	Board	7 members; 3 elected to 5-year terms, 3 apptd. by mayor to 5-year terms, 1 ex-officio	State statute and city charter
San Jose City Retirement Plan	1	DB	\$1.7 bill.	Board	No further information available	City charter
City of Santa Ana ¹⁴	N/A	N/A	N/A	N/A	N/A	State statute

12Participates in CALPERS
13Participates in CALPERS
14Participates in CALPERS

